



County of San Diego

JOHN L. SNYDER
DIRECTOR

DEPARTMENT OF PUBLIC WORKS

5555 OVERLAND AVE, SAN DIEGO, CALIFORNIA 92123-1225
(619) 694-2212 FAX: (619) 268-0421
Web Site: sdpw.org

November 30, 2004

Mark McClardy
Manager, Airports Division AWP-600
Federal Aviation Administration
Western-Pacific Region
15000 Aviation Blvd. Room 3024
Lawndale CA 90261

Dear Mr. McClardy:

RESPONSE TO COMPLIANCE ADVISORY FOLLOW-UP LETTER

On July 15, 2004, we provided a comprehensive response to your May 17, 2004, compliance advisory follow-up letter. The purpose of this correspondence is to provide you with additional information related to Item 8 and 17, which requested:

"The County will provide AWP with the new County Airport Rules and Regulations, Minimum Standards, Rates and Charges, and revised Policy and Procedures by July 30, 2004."

"The County will take action to curtail and eliminate Vehicle and Pedestrian Deviations at its airports and will inform AWP and the Runway Safety Program of its remedial action plan."

In addition, this correspondence is to provide you with information regarding your May 19, 2004 letter regarding vehicle/pedestrian deviations. We hope this submittal will satisfy your recommendation # 5 that states:

"Require tenants, personnel and vehicle operators to receive driver training and complete comprehensive written and driving examination before obtaining unescorted movement area access."

Mr. McClardy
November 30, 2004
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Please find attached a draft copy of County of San Diego Policies and Procedures.
Please review and comment at your earliest convenience.

Draft Rates and Charges will be forthcoming.

If you have any questions or require additional information contact Principal Airport
Manager, Sherry Milier at (619) 956-4837.

Very truly yours,



PETER DRINKWATER
Director of Airports

PD:smjk

cc: w/encl.: Larry Watt (0334); Tom Bosworth (A12), Tony Garcia, FAA, AWP-620.1;
John Miligan, FAA, AWP-621; File (2)

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COUNTY OF SAN DIEGO
AIRPORTS

POLICIES
AND
PROCEDURES

FOR FIXED BASE OPERATORS, LESSEES, TENANTS,
PERMIT HOLDERS, USERS AND VISITORS

ESTABLISHED BY
THE COUNTY OF SAN DIEGO
DEPARTMENT OF PUBLIC WORKS
NOVEMBER 2004

SAN DIEGO COUNTY AIRPORTS
POLICIES AND PROCEDURES

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COMPREHENSIVE LAND USE PLAN

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(forthcoming)

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CHAPTER 1 – PURPOSE OF POLICIES AND PROCEDURES

Purpose

Lessees, Permittees and Users shall at all times comply with federal, state and local laws, ordinances, rules and regulations which are applicable to its operations including all Americans with Disabilities Act (ADA) or with operations, management, maintenance or administration of the airport, including all laws, ordinances, rules and regulations adopted after the effective date of these standards. Lessees, Permittees and Users shall display to the County, upon request, any permit, license, or other evidence of compliance with such law. All rules and regulations and minimum operating standards for the airport, as warrants existing, or as maybe amended or adopted, are hereby incorporated.

Any violation of any County Airports Rule or Regulation contained herein may result in a penalty or fine.

Definitions/Abbreviations

ABANDONED – means any piece of equipment or vehicle that is unairworthy or has no current registration or has no current airworthiness certificate or has a flat tire and is incapable of being driven or flown.

AIRCRAFT (a/c) – means any and all conveyances, now or hereafter used for flight in airspace.

AIR OPERATIONS AREA (AOA) – means the area that is inside the Airport boundary in which aircraft movements take place and as defined by the Federal Aviation Administration-Advisory Circular AC150/5300.

AIRPORT AND COUNTY AIRPORT – means an Airport operated by the County of San Diego with specific identification names as defined under their individual State of California Airport Permits as follows:

- a. Agua Caliente Springs Airstrip (L54) – the County of San Diego Airport in the unincorporated area of the County of San Diego, in the State of California.
- b. Borrego Valley Airport (L08) – the County of San Diego Airport in the unincorporated area of the County of San Diego, in the State of California.
- c. Fallbrook Community Airpark (L18) – the County of San Diego in the unincorporated area of the County of San Diego, in the State of California.
- d. Gillespie Field (SEE) – the County of San Diego Airport annexed in the City of El Cajon, in the State of California.
- e. Jacumba Airport (L78) – the County of San Diego Airport in the unincorporated area of the County of San Diego, in the State of California.

- f. McClellan-Palomar Airport (CRO) – the County of San Diego Airport annexed in the City of Carlsbad, in the State of California.
- g. Ocotillo Airport (L9C) – the County of San Diego Airport in the unincorporated area of the County of San Diego, in the State of California.
- h. Ramona Airport (RNM) – the County of San Diego Airport in the unincorporated area of the County of San Diego, in the State of California.

AIRPORTS DIRECTOR – means the Land Use and Environment Group (LUEG) Program Manager as hired by the Department of Public Works, or any of his/her designees acting in a capacity authorized by the Airports Director.

AIR TRAFFIC CONTROL TOWER (ATCT) – means the Federal Aviation Administration (FAA) or non-federal owned/staffed Air Traffic Control Tower facility located on Airport premises.

ADVISORY CIRCULARS (AC) – Federal Aviation Administration Advisory Circulars for the aviation industry.

BOARD OF SUPERVISORS – means the County of San Diego elected officials as defined by the term "Board of Supervisors".

CARETAKER RESIDENCE – means a residence used by someone charged with the care or oversight of a leasehold or property.

CITY – means the City to which that airport is annexed as defined above under AIRPORT.

CODES – RULES AND REGULATIONS REFERENCED – means the codes/rules as referenced below:

- NFPA 407 – Standard for Aircraft Fueling Servicing
- County of San Diego Air Pollution Control District Regulations
- Federal Americans with Disabilities Act
- Federal Aviation Administration – Advisory Circulars, Orders, Rules
- Federal - Aviation Safety and Noise Abatement Act of 1990
- Federal - Airport and Airway Act of 1970
- Federal Clean Water Act
- Transportation Security Administration (TSA) Regulations
- California Fire Code – Part IV – Special Occupancy Uses – Article 24 -- Airports, Heliports and Helistops
- State of California Code of Regulations - Title 21, Sections 3525 through 3560
- State of California Public Utilities Code - Sections 21001 et seq. relating to the Aeronautics Act
- State Health and Safety Code
- State Penal Code
- State Vehicle Code

- San Diego County Administrative Code
- San Diego County Board of Supervisor's Policies
- San Diego County Code of Regulatory Ordinances –
- San Diego County Code Chapter 4 - Titled Airport Rules and Regulations Sections 85.401 - 85.461
- San Diego County Health & Safety Codes
- San Diego County Airports:
 - County Airports - Storm Water Pollution Prevention Plan (SWPPP)
 - County Airports Storm Water - Best Management Practices (BMP's)
 - County Airports - Aviation Development Standards
 - County Airports - Aviation Performance Standards
 - County Airports - Industrial Development/Performance Standards
 - County Airports Minimum Standards
 - County Airports Rules & Regulations
 - Schedule of Rates & Charges and Use Control Policy for San Diego County Airports

COUNTY – means the unincorporated areas in the County of San Diego, in the State of California.

CREW QUARTERS – means commercial job related living quarters required for crew rest periods per FAR's.

DIRECTOR OF AVIATION – means the Airports Director as defined by the County of San Diego, Department of Public Works or their designee.

FEDERAL AVIATION ADMINISTRATION (FAA) – means the Federal Aviation Administration.

FLIGHT STANDARDS DISTRICT OFFICE (FSDO) – means the FAA/FSDO.

FIXED BASE OPERATOR – means a commercial aviation business that provides aeronautical services to the user/public.

FLYING CLUB – means any combination of persons who form a legal entity to provide such persons the privilege of piloting one or more aircraft based on the Airport as defined under AIRPORT above.

MASTER LEASE – means a portion of an Airport that is leased to an individual or entity as approved by the County Board of Supervisors in an Aviation/Industrial Master Lease contract.

MOVEMENT AREA – means the runways, taxiways and other areas of an Airport which are under the positive control of the ATCT during the hours the ATCT is staffed; two way radio contact is required. Movement areas are required taxiing, hover taxiing,

air taxiing, takeoff and landing of an aircraft, exclusive of loading ramps and aircraft parking areas and as further defined in the FAA/AC 150-5300 "Airport Design".

NON-MOVEMENT AREA - means aircraft aprons, ramps, taxilanes, and parking areas NOT under the positive control of the ATCT and where two-way radio communications with the ATCT is not required by aircraft or ground vehicles on Airport premises and as further defined in the FAA/AC 150-5300 "Airport Design".

NATIONAL TRANSPORTATION SAFETY BOARD (NTSB) -- means the National Transportation Safety Board.

PEDESTRIAN -- means a person on foot, on a bicycle, on a wheelchair (motorized or manual), on a skateboard (motorized or manual), scooter (motorized or manual).

PERSON -- means any individual, estate, firm, association, political body, business, organization, group, partnership, business trust, company, corporation, or other legal entity including any member trustee, agent, employee, officer, receiver, assignee or other representative of any of these.

RESIDENTIAL -- means any structure or appurtenance for residential use that meets the code requirements for such a structure or appurtenance, and is used as living quarters.

RUNWAY -- means a surfaced or un-surfaced area of the Airport reserved primarily for the landing and taking off of aircraft.

SCAN TRAINING -- means Search, Call, Acknowledge, Notice. An awareness and airport procedures training course given by ATCT personnel or County staff or it's designee.

SELF-FUELING -- means fueling an aircraft that is owned in whole or partnership by the person fueling. This does not include fueling at the self-service fuel island.

SUBLEASE - means a portion of an Airport that is subleased to an individual person or entity by a Master Lease/Lessee for a portion of the Master Lease parcel with approval of the Airports Director.

TAXIWAY -- means a defined path established for the taxiing of aircraft from one part of an airport to another.

TAXILANE -- means the portion of the aircraft parking area used for access between taxiways and aircraft parking positions.

VEHICLE - means auto, truck, fuel truck, golf cart, motorcycle, moped or any motorized equipment.

CHAPTER 2 - AOA OPERATIONS

Policy

AOA Operations shall be conducted in a safe and efficient manner at all times.

Procedures

COMMUNICATIONS

Two way communications shall be maintained with ATCT during ATCT operational hours. At no time shall any person enter a movement area without two way communication with ATCT or being under escort by persons with such capability.

During ATCT non-operational hours, personnel shall broadcast intentions prior to entering and upon exiting a movement area.

SPEED LIMITS

Unless otherwise posted, speed limit shall not exceed 15 mph on all areas of the airport.

AOA ACCESS

All Airports

Every person, vehicle and/or aircraft must have two-way radio communication with ATCT before entering a movement area, when the ATCT is open. If ATCT is closed, every person, vehicle and/or aircraft must broadcast intentions on CTAF.

Agua Caliente

At no time shall persons enter or cross the runway unless landing or preparing to depart.

Borrego

At no time shall persons enter or cross runway or parallel taxiway unless landing or preparing to depart.

Falibrook

At no time shall persons or vehicles enter or cross runway or parallel taxiway unless landing or preparing to depart. Persons wishing to cross east to west shall use airport perimeter road.

Vehicle traffic is not authorized on east transient ramp or on runway.

Gillespie Field

Preferred method for accessing opposite side of airport is via surface streets.

Should persons need to cross the airport east to west or vice versa, they may do so under ATCT control or CTAF advisory at designated taxiway points A1 – A4 and B1 – B4.

Transiting north to south or vice versa shall be done so under ATCT control or CTAF advisory and via airport perimeter road only.

Jacumba

At no time shall persons enter or cross runway unless landing or preparing to depart.

Ocotillo

At no time shall persons enter or cross runway unless landing or preparing to depart.

Ramona

Vehicles shall use surface street to relocate from one side of the airport to the other.

Should an aircraft need to cross the airport north to south or vice versa, they may do so under ATCT control or CTAF advisory at A1.

McClellan-Palomar

At no time shall a vehicle or persons enter or cross the runway.

Aircraft may not enter the runway unless landing or preparing to depart.

Aircraft needing to enter parallel taxiway shall do so under approval from ATCT.

Vehicles or persons needing to enter parallel taxiway must do so under escort from Airport personnel.

Authorized Airport Staff

Authorized Airport Staff may enter any area necessary to complete required duties with proper coordination with ATCT or must broadcast intentions on CTAF.

REQUIRED VEHICLE EQUIPMENT

In order to enter movement areas all vehicles shall:

Be in contact with ATCT personnel or be escorted by someone who is, and;

Daylight hours:

Display an orange and white-checkered flag or working yellow rotating/flashing beacon light or be under escort by someone who is so equipped.

Night hours:

Display a working yellow rotating/flashing beacon light or be under escort by someone who is so equipped.

DRIVER AND TENANT EDUCATION PROGRAM

Master Lessees shall ensure their tenants; guests and agents are educated in proper driving procedures for driving within all AOA non-movement areas.

No person shall operate within any movement area without successfully passing County approved SCAN training.

(Driver Training Document (SCAN Training) is being drafted and processed through ATCT personnel and airport staff for comment)

CHAPTER 3 – SCAN TRAINING

Policy

SCAN: Search, Call, Acknowledge, Notice

All lessors, tenants, subtenants and their hires and agents entering any movement area shall successfully complete County approved SCAN training.

Procedure

(SCAN Training Document is being drafted and processed through ATCT personnel and airport staff for comment).

CHAPTER 4 - SECURITY

Policy

County Airports will be maintained in a secure and safe manner.

Procedure

ENTRY ACCESS

AOA access shall be the responsibility of the Master Leaseholder by controlling access points on their leasehold

Master Lessee is responsible for every individual and vehicle that enters through his or her entry access point regardless of where that individual or vehicle subsequently proceeds to on the airport.

County Airports reserves the right to deny access to any person at any time.

GATE CONTROL

All entry points shall be positively controlled at all times. Under circumstances where an entry point gate is non-operational, said gate shall be locked closed and repaired within 48 hours.

County Airport reserves the right to lock any access point at any time.

CHAPTER 5 – CODE OR RULE ENFORCEMENT

Policy

Citations will be issued in cases that warrant it, based on adherence to Federal, State and local rules and regulations.

Citations

Speeding on AOA

Operating within movement areas without properly equipped vehicle

Non-authorized Access Point Entry (including "Piggy-backing")

Parking violations

Improper vehicle storage

Vehicle/Pedestrian Deviation

Runway incursions

Uncontrolled animals

Any violation of a County Ordinance (Sec. 85.401 -- 85.461)

Leasehold violations

Issuance

Citations shall be issued at the discretion of the Airports Director in accordance with Rules and Regulations and/or County Ordinances.

CHAPTER 6 – LEASING AND PERMITS

Policy

The leasing of County Airport land is regulated and influenced by State and Federal Law including the policies of the Federal Aviation Administration (FAA), the County Administrative Code, formal Policies adopted by the County Board of Supervisors (Board), input from community advisory committees, and by past decisions of the Board.

Authority to Lease

All leases in excess of ten years and leases where the rent exceeds \$10,000 per month require the approval of the Board of Supervisors. The Board must also approve all amendments to such leases. The Board grants certain authority over leases to the Director, Department of General Services (Lease Administrator). This delegated authority includes the approval of leases for terms not exceeding ten years and where the rent does not exceed \$10,000 per month. The Lease Administrator may also consent to lease assignments, financial encumbrances and subleases, except where extraordinary circumstances may warrant review and approval by the Board. The Airports Director may consent to short-term airport use permits, where the term does not exceed one year.

Land Uses

Master Plan or community plan documents, in conjunction with environmental impact report documents, have been developed and are periodically updated for all County Airports. These are reviewed and approved by the FAA, the Airport Land Use Commission, local cities having jurisdiction, and the Board, following a public review and input process. The master plan or community plan then serves to guide Airports staff and the Board in making land use leasing decisions. The lease document (described in more detail, below) will specify allowed uses of airport land and any restrictions on use which may apply.

Competitive Lease Proposals

It is generally the County's policy to solicit competitive proposals whenever a County property is available for lease to private parties. County Airports property may however, be leased without seeking competitive proposals when it is in the best interest of Airports supporting community aviation needs. In practice, this is usually done only when there is a surplus of airport land available for lease, and when not more than one party has expressed an interest in leasing a particular parcel of land. In some instances, lessees leasing land which adjoins a vacant parcel may be given the first opportunity to lease the adjoining parcel.

Length of Lease Term

To allow the County the greatest flexibility in making land use decisions over time, lease terms are generally limited to the shortest term possible. When necessary, fixed-term

leases are granted for the minimum number of years adequate to allow a lessee to amortize, and receive a reasonable return on the lessee's investment in leasehold improvements. Historically, Airports has granted one year of lease term for each \$5,000 invested per acre of leased land, with a maximum term for aviation leases set at 30 years. Accordingly, to qualify for a thirty-year term on a 5-acre parcel, a lessee would have to invest \$750,000 in approved leasehold improvements ($\$5,000 \times 5 \text{ acres} \times 30 \text{ years} = \$750,000$). Leases where there is no investment by the lessee are usually kept on a month-to-month basis. The \$5,000 per acre, per year formula for determining the length of lease term is a minimum requirement. Virtually all new projects constructed on County aviation land within the past ten years have exceeded this minimum investment requirement. Airports' industrial land leases typically have the same minimum investment requirements, at \$5,000 per acre per year, with a maximum lease term of 55 years. Lease terms for other non-aviation use properties may have different investment requirements and longer or shorter lease terms available to conform to common industry practices.

Fair Market Rental

It is a policy of the Board of Supervisors and a requirement of the FAA that County Airports receive fair market value when leasing its airport land. Achieving fair market value usually starts with an appraisal requisitioned by Airports, followed by negotiations between Airports staff and the lessee or prospective lessee to reach agreement. The County typically negotiates for a rental based on a 9% return on the appraised value of the land. Restaurants, hotels, golf driving ranges and certain other land uses, usually result in rentals based on a percentage of the lessee's gross income, as this is customary for such leases. Leases with a term exceeding ten years in length shall provide for renegotiation of rent to market level at appropriate intervals in keeping with industry standards. Interim cost-of-living adjustments shall also be provided at appropriate intervals in keeping with industry standards.

Lease Contracts and Legal Review

County lease contracts are intended to transfer to the lessee the liabilities associated with possession and control of real property, including compliance with all federal, state and local laws and regulations, including those pertaining to the use, storage and disposal of hazardous materials. All County leases shall be written on a form approved by County Counsel, and shall at a minimum conform to local/regional standards of tenant responsibility and liability. County leases may contain more restrictive clauses than private sector leases to better protect the public interest (strict provisions for complying with all laws, particularly environmental laws such as hazardous materials management and stormwater pollution prevention regulations). Lease language is periodically updated to reflect changes in real estate law and to meet changing economic and other risks associated with the ownership of land. During the term of a lease, lease amendments may be agreed to between the parties to effect changes to the rent or other economic lease provisions, or to update antiquated lease language which no longer protects one or both of the parties as originally intended.

Construction of Leasehold Improvements

County Airport leases typically require the construction of leasehold improvements, which will be owned by the lessee during the term and which will revert to the ownership of the County at the end of the term. Height restrictions, lot-line set backs, parking requirements, building design, quality of construction, and other requirements are controlled by the County Airports Development Standards and by County or city building code requirements. Performance bonds may be required when, in the opinion of the County, it is prudent to guarantee the timely construction of required leasehold improvements.

New 30-Year Leases For Existing Tenants and Equity

A lease extension may be granted to a tenant who has fully complied with all terms and conditions of the lease if granting an extension would be in the best interests of the County. Existing tenants may submit a request for a new 30-year lease at any point during their lease. The County is not obligated to accept such a request, but will consider all proposals, evaluating them in light of the following criteria:

- Existing/proposed use must be consistent with Airport Layout Plan, Master Plan. County has no need for the land after current lease expires.
- Lessee is in good standing (i.e., compliant with existing lease terms).
- New capital investment, if appropriate, to qualify for term in excess of current termination date at current standard (see "Length of Lease Term" above).
- Whether the public interest would be better served by allowing the lease to expire so that potential new tenants may participate in a new competitive solicitation process; and

It is the practice of County Airports to negotiate lease extensions when it is in the best interests of the aviation community or when a surplus of land is available for lease and there has been no written notice of interest by third parties in bidding on the particular parcel of land covered by the expiring lease. The County requires that any leases for additional term be on the County current standard lease form. County staff's acceptance/negotiation is subject to Board of Supervisors approval.

Typically, all County aviation leases provide that at the end of the lease the improvements will become the property of the County regardless of who originally installed the improvements. If a lease is extended prior to the expiration of its term, the County requires payment for the present value of its reversionary interest in the leasehold improvements. This interest is referred to as Equity. The amount of equity is based on appraising the value of the improvements as of the end of the lease, and discounting that value to a present value. A variety of appraisal techniques may be used, and negotiation may ultimately be involved to arrive at a value acceptable to both the County and the lessee. The County will permit an amortization of the equity it is owed, with interest, over a period of months not to exceed approximately 50% of the extended lease term. The purchase of the County's equity interest by the lessee, whether by cash payment or amortization, may be counted as part of the investment requirement in establishing the length of extended term, as discussed above under Length of Lease Term.

Procedure for Negotiated Rental Adjustment

All New County leases shall contain periodic adjustments to rental rates to ensure that they remain at fair market value ("FMV"). Typical adjustment period is every five years with annual cost of living adjustments based on the LA, Orange, Riverside CPI.

1. County gets an appraisal from a licensed Member of the Appraisal Institute (MAI) Appraiser. Appraisal should consider lease, aviation rates at other airports.
2. County evaluates the appraisal and proposes a new rental rate, and any additional lease language required to bring the lease to current standards.
3. If tenant accepts the appraisal and the proposed rental rate increase, an amendment goes to the Board of Supervisors for approval.
4. If the tenant does not agree with the County's appraisal, the tenant may obtain his own appraisal, from a licensed MAI Appraiser, and use that appraisal to negotiate an appropriate rental rate with the County. County may agree to negotiate but will usually only do so if extenuating market circumstances exist or if there are additional facts not previously considered.
5. If parties cannot reach an agreement, they typically use the arbitration procedure set forth in the Lease, which calls for both appraisers to select a third licensed MAI appraiser and for the three appraisers to reach an agreement as to the FMV of the lease premises.
6. If the County has an appropriate existing appraisal that is no more than 36 months old for Gillespie Field, McClellan-Palomar Airport, or Ramona Airport, then the rate determined therein, and adjusted by the appropriate CPI, may be used for the proposed adjustment. For Fallbrook Airpark, Borrego Valley Airport, Jacumba Airport, Ocotillo Airport, or the Agua Caliente Airstrip, appraisals as old as 60 months may be used to set the FMV, if adjusted by the appropriate CPI.

Procedure for Approval of Short-term Non-Aeronautical Use of Aviation Land

This procedure allows temporary use of aviation land for non-aeronautical use when, due to market conditions the land would be otherwise vacant. The procedure requires coordination with the FAA. Non-aeronautical uses will be approved for a maximum of 5 years.

1. Lessee sends written request to Airports Director. The request should include verification of the following:
 - a. Property was first being advertised for aviation use for a period of at least 120 days. Acceptable forms of advertising shall include, but not be limited to, weekly classified ads, sign(s), flyers, and Internet advertising.

- b. Rent sought for aviation use must be comparable to rents on similar aviation facilities at the same airport. If similar facilities do not exist at same airport, then the rent sought should be typical for the region.
 - c. Other vacancies at aviation-use properties must exist at the airport to serve future aviation needs.
 - d. There must not be any waiting lists for similar aviation space at the airport.
2. Lessee should submit the required processing fee, three (3) original signed leases, and a completed Proposer's Questionnaire.
3. If Airports Director agrees, the request is then forwarded to the FAA-Western Pacific Region for approval.
4. If FAA approves, then County processes the Consent (see Procedure for Consent to Aviation Sublease).

Procedure for Consent to Aviation Subleases

Any sublease of Aviation land must be consented to by the County prior to commencement. All Subleases must be consistent with the terms of the Master Lease.

1. Lessee shall submit the required processing fee, three (3) original signed leases, and a completed Proposer's Questionnaire to County for review.
2. County verifies that the proposed use is aeronautical (if not, refer the Master Lessee to the "Procedure for Approval of Short-term Non-Aeronautical Use of Aviation Land, above")
3. County verifies that the sublease, as drafted, is subject to all terms of the Master Lease.
4. County verifies that the proposed sublease contains all required FAA clauses (as set forth in the Master Lease).
5. County Staff drafts a Consent to Assignment of Sublease, and forwards these documents to the Department of General Services for the Lease Administrator's approval and signature.
6. County sends copies of the executed Consent form to the Master Lessee, the Sublessee, the County's Controller Branch Office ("CBO") and the County Assessor. The cover letter accompanying these documents shall include a statement of the percentage rent due to County and the effective dates of the sublease.

Procedure for Granting a New Lease to an Existing Lessee for a Longer Term

At time part way through an existing lease a Lessee is interested in constructing new capital improvements in exchange for a new 30 year lease. This can be in the County's best interest because it provides for new aviation facilities now, instead of waiting until the lease terminates, prevents deferred maintenance which can be common in final years of a long term lease and it allows a successful business to continue on the airport. Aviation Terms are never longer than 30 years and Industrial leases are typically 55 years.

1. Receive written request from Lessee
2. County Staff reviews to determine if:
 - Lessee in Good Standing, provides valuable service to aviation community
 - Existing or proposed use is appropriate and consistent with ALP and master plan.
 - Written Notice of Interest by other parties to bid on this premises in file (any should be filed and tabbed under legal documents section of lease file).

- County has no need for this area for airside needs.
3. The public is informed the County is entering in negotiations to extend the term of the lease by placing it on the Agenda for the appropriate Advisory Committee (for example Gillespie Field Development Council, Palomar Airport Advisory Committee or Fallbrook Advisory Committee). The agenda are posted publicly and placed on County Airports website following Brown Act Guidelines. There is public notice of all items on the Agenda and public comment on any item is accepted upon request.
 4. If proposed lease is for an Airport not represented by an advisory council the County will issue a public notice advertisement in a local paper and place the item on it's web site. Direction for supplying written comment will be included and considered by the County. Such comment will become part of the permanent record.
 5. If it is determined it is appropriate to enter into a new lease, County Staff will draft a written proposal to Lessee, subject to Board approval. Proposal will detail required Capital Improvement Requirements and Equity Payment to County for postponement of County's reversionary interest (see SAN DIEGO COUNTY AIRPORTS LEASING PRACTICES) and be drafted on the current Standard Lease Form.
 6. Upon acceptance by lessee the proposal is placed on the Agenda for the appropriate Advisory committee, if applicable, for a second time. There is public notice of all items on the Agenda and public comment on any item is accepted upon request.
 7. The Lease is then drafted, signed and docketed on the Agenda of the County Board of Supervisors. There is public notice of all items on the Board Agenda and public comment on any item is accepted upon request.

Procedure for Special Event Permit

1. When approached regarding an event, staff always requests a completed Proposer's Questionnaire and a written description of the planned event.
2. Staff should ask for the proposed date and pencil it in on the calendar to reserve the date during the planning period.
3. The Event is evaluated with Airport Operations to determine if a permit is required.
4. Fees are set taking into consideration impact to County staff and facilities. Logs are reviewed for similar events so fees are set consistent with what has been charged in the past.
5. Airport Director approval is required for fees that are not standard.

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6. Permit is drafted working with the Airport Manager to ensure the safety of the event and minimize impact to Airport Operations.
7. Insurance requirements are sent to Risk Management for review.
8. The Permit should provide for cost reimbursement to airports in case staff is required to step in and perform duties that are the responsibility of the Permittee, if in the opinion of the Airport Manager it is necessary for the safe operation of the Airport.

CHAPTER 7 – AIRPORT IMPROVEMENT

Airport Improvements and Construction Activity

Policy

Plan Check and Approval

Unless stated otherwise below, all plans must be approved prior to the commencement of construction activities.

Construction Activities

All construction activity on Airport Property shall be coordinated with the Director of Airports at least 10 working days prior to commencement.

Any and all construction activity that impacts airport operations or non-leasehold property shall be approved prior to commencement by the Airports Director, for example haul routes or the use of cranes.

Leaseholder shall comply with all Federal, State and local rules and regulations during construction including access control, safety and security.

Procedure For Plan Check And Approval

1. The proposer expresses an interest of developing on a County of San Diego airport.
2. The proposer is given a "PLAN AND PROJECT PREPARATION PACKET" (see appendix A). The proposer reads and understands the packet prior to the design process.
3. Along with the "initial" Site Plan submittal to airport staff, the proposer also any other documents from the "PLAN AND PROJECT PREPARATION PACKET" that are applicable.
4. If staff believes that the proposed project may be in close proximity or does indeed penetrate Part 77 airspace and/or other critical airspace zones, the airport engineer will additionally confer with FAA to make sure these concerns are being properly evaluated.
5. Once the proposer and Airport staff has agreed to the final Site Plan design, Airport staff will stamp and sign the Site Plan. This is not the final Airports' project approval, but merely allows the proposer to take the conceptually approved Site Plan to the other necessary permitting authorities to pursue their approvals.
6. Once the Airport has signed and stamped the proposer's Site Plan, the proposer needs to submit the FAA Form 7460 to the FAA for their approval (and submit a

copy to the Airport staff). It would be advantageous for the proposer to discuss the FAA form 7460 with airport staff prior to submittal to the FAA. This will help circumvent the possibility of errors. It should be noted that in addition to FAA 7460 approval, staff would seek FAA approvals in areas not covered under the 7460 process. For example compatibility with airport design standards, non-aeronautical activities, the intended use of the facilities being built, land-use compatibility, etc.

Procedure for Construction Activities

1. The proposer, when ready to begin construction, submits 2 completed copies of the Airports notice to Proceed Form (ANTP) for staff approval signatures along with a project construction schedule. The proposer does not have approval to begin construction until the Airports Notice to Proceed Form has been signed and returned approved to the proposer.
2. Proposer and/or Construction contractor shall participate in a pre-construction meeting to include County Airport Management staff at least one week prior to start of construction.
3. Proposer shall conduct a SCAN Training class for construction personnel prior to construction commencement.
4. All activities must comply with all airport Rules and Regulations, Policies and Procedures, and Federal, State, County and City codes and ordinances.

CHAPTER 8 -- LEASEHOLD COMPLIANCE

Policy

County Airports Leases require that all Master Lessee comply with all Federal, State and Local requirements. This includes, but is not limited to, all requirements in the Lease, Minimum Standards, Rules and Regulations and Federal Aviation Administration Advisory Circulars and Requirements. County Airport Staff monitor compliance through weekly inspections of Leaseholds and Annual Inspections of all hangars and interior spaces.

Procedure for Leasehold Compliance Warning Form

The purpose of the Leasehold Compliance Warning form is to inform the Master Leaseholder that they are not complying with the provisions of their Lease, Minimum Standards, Rules and Regulations and/or FAA regulations. Although any County Staff, including maintenance, real property agents, security or operations may have reason to fill out a lease compliance form, this procedure was designed primarily as a way for Operations to track and document compliance issues on leasehold premises in between annual inspections. For urgent matters, such as those applying to safety or security, the Airport Manager may eliminate the warning period and notify the Master Lessee that immediate compliance is required.

1. Inspections of Master leaseholds are completed weekly by the Airport Operations Coordinator or Airport Manager.
2. If discrepancies are noted, a Leasehold Compliance Warning form is faxed to designated Master Leasehold. Staff fills out separate Lease Compliance Form for each issue or incident. The form should include the name, phone number, and hours of availability for a contact person at Airports, in the event that the Lessee has any questions. Copies of the form are also provided to Airport Operations (for Operation Lease Compliance Form file), the Airport Manager, the Airports Director, and the Real Property Agent assigned to the lease, if applicable. (for lease file).
3. The form states that either the problem must be corrected or a plan to correct the problem must be submitted to County within 10 days of the date on the form.

Note: If Leaseholder advises that the problem will be fixed in a reasonable time frame, problem must still be monitored but would not need a second and third notice. Only if problem does not get resolved, then comes the remainder of the notices and letter.

4. County Operations Staff follows up and provides the Master Lessee with a second request if no response or plan for correction has been received within the 10-day period. The second notice is distributed in the same manner as set forth in item 2. above.

5. County Operations Staff follows up and provides the Master Lessee with a third request if no response or plan for correction has been received within the next 10 day period. The third notice is distributed in the same manner as set forth in item 2. above. This form is to be accompanied by a cover letter, which shall state, "This is the third request for this item, therefore it will be submitted to Real Property and subject to the appropriate sections of your lease. Please contact Real Property Agent Name at Phone if you have any questions." A copy of the letter and form will also be given to the Supervising Real Property Agent.
6. When Real Property Agent receives third notice, they should pull the contract and review the remedies in the lease that apply to the situation. Real Property Agent shall draft a letter that explains the County options under the lease (include language) including the appropriate sections and deadlines and give a date for them to comply or the County will begin to pursue those options. The letter should be signed by the Supervising Real Property Agent, if available, or the Agent on their behalf. The letter will be mailed, via certified mail, to the Master Lessee and copied to the Airport Manager, Airports Director, Supervising Real Property Agent, and Operations Coordinator.
7. The Property Agent will then track the timeframe for compliance. If the issue is not corrected a letter shall be drafted according to the terms of the lease. This letter will then be reviewed by the Supervising Real Property Agent. A Legal Services request and the letter will be submitted to County Counsel for review. This letter will be signed by the Airports Director.
8. The letter will be mailed, via certified mail, to the Master Lessee. Copies will be distributed to Airport Operations (for Operation Leasehold Compliance Warning form file), Airport Manager, Airports Director, the Real Property Agent assigned to the lease and the Lender if a Consent to Encumbrance, which requires that the Lender be notified in the event of a lease default, is active and on file.
9. County's Real Property staff will track and follow up with the matter from this point, consistent with the terms of the lease, until it is resolved.

A Tickler file is kept up to date with all open Leasehold Compliance Warning forms by the Airport Operations Coordinator. Email is sent to the Agent regarding any follow-up conversations.

Property Agents are to keep copies of all Leasehold Compliance Warning forms and correspondence in Leasehold Compliance Section of the Master file. The dates of all letters, notices and conversations should be entered in the Notes section of the Airport Lease Management Database as they occur.

"SAMPLE"

LEASEHOLD COMPLIANCE WARNING

NOTICE #_ _ _ _ _

Date: _ _ _ _ _

To: _ _ _ _ _

From: Airport Management

The following problem was observed on your leasehold:

The following remedy is required within 10 days of this notification:

If it is impossible to meet this timeframe, please provide a schedule and plan to address the situation immediately. If this situation is not addressed within the timeframes and/or manner provided, it will be turned over to Airports Real Property, as it may be a violation of your lease terms.

Please call Airport Operations at 619-956-4810 if you have any questions and to advise when this issue will be addressed.

Your prompt attention to this matter is appreciated.

Signed by: _ _ _ _ _ Date: _ _ _ _ _

Cc: Airport Director; Airport Manager; Real Property; Security.

Procedure for Annual Leasehold Inspections

1. Inspections of Master leaseholds, including all interior areas, are completed annually by the Airport Operations Coordinator or Airport Manager or Assistant Airport Manager.
2. County's Real Property Staff drafts a form letter notifying tenants of upcoming inspections.
3. Airport Manager/Operations (Inspector) contacts Master Lessees to set up appointments for the inspection. Master Lessees must make arrangements for access to all portions of the leased premises, excluding those areas clearly set forth in the lease (such as safes).
4. Inspection includes but is not limited to the following:
 - Confirmation that the hangar is being used for its approved use (i.e. A B-2 hangar is strictly for aircraft storage; a H-5 hangar is required for aircraft maintenance).
 - For aeronautical land - major use shall be aeronautical.
 - All improvements have been approved, in writing, by Airports Director as set forth in the Master Lease. If the inspector is not certain that the improvements have been approved, the inspector should include subject improvements in the report to latter be compared to approved plans.
 - Stormwater Violations/ Hazardous Materials Storage
 - All commercial business must have approved County Consent for subleases on file with the Real Property Staff.
 - Appropriate signage and markings must be in place.
 - Fences and Gates must meet all applicable security requirements.
 - No deferred maintenance or safety violations, such as cracked or uneven pavement, shall be located on the premises.
 - Compliance with all Federal, State and local codes, including but not limited to; Fire and municipal safety codes.
5. Inspector shall take photographs and/or documents findings.

6. The inspector shall provide the inspection report to the County's Real Property Staff for review.
7. The Real Property Staff shall review lease files, approved plans, sublease files, etc. to verify if compliance violations exist. Real Property then drafts letters, stating their findings, to be forwarded to the Master Lessees.
8. Real Property and Operations work together to arrange re-inspection and follow-up pertaining to any non-compliance issues.

CHAPTER 9 - COMPREHENSIVE LAND USE PLANS

Policy

County Airports will support the ALUC developed CLUP for each airport.

Procedure

(Individual CLUP's to be entered upon completion of CLUP by ALUC before June 2005)

Appendix B
Plan Check Approval Stamp Language

County of San Diego Airports Site Plan/Building Plan Approval	
Approved for planning purposes only. All applicable regulatory requirements must be met at lessee's expense by lessee including, but not limited to, building permits required by the permitting authority. Lessee shall submit to Airports an approved Notice of Proposed Construction or Alteration FAA Form 7460-1 prior to starting construction. All uses must be consistent with Federal Aviation Administration (FAA) rules, regulations and guidance documents. There will be no residential units, including crew quarters or caretaker residences, without prior written approval of the FAA.	
Airports Section review	
Airport Manager _____	Date _____
Airport Engineer _____	Date _____
Property _____	Date _____
Approved _____ <div align="center">Airports Director</div>	Date _____

County of San Diego Airports
Tenant Improvement Plan Approval

Approved for planning purposes only. All applicable regulatory requirements must be met at lessee's expense by lessee including, but not limited to, building permits required by the permitting authority. All uses must be consistent with Federal Aviation Administration (FAA) rules, regulations and guidance documents. There will be no residential units, including crew quarters or caretaker residences, without prior written approval of the FAA.

Airport Manager _____ Date _____

Airport Engineer _____ Date _____

Property _____ Date _____

Approved _____ Date _____
Airports Director